LIfestyle Communities Ltd, Level 2, 35 Market Street South Melbourne Vic 3205
Telephone: 03) 9682 2249 **Facsimile:** 03) 9682 1236
Email: info@lifestylecommunities.com.au **www.lifestylecommunities.com.au**

ABN 11 078 675 153

⊢ 000001 000 LIC
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

21 November 2012

Dear Shareholder,

Non-renounceable Entitlement Offer

On 20 November 2012, Lifestyle Communities Limited (ASX Code: LIC) (**Lifestyle Communities**) announced a fully underwritten pro rata non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of $0.07 to raise up to approximately A$33.5 million (**Entitlement Offer**).

The purpose of the Entitlement Offer is to partially redeem Loan Notes of the company and bolster the funding pool for development opportunities.

Under the Entitlement Offer, existing Lifestyle Communities shareholders who are eligible to participate will be offered 1 New Share for every 1 existing fully paid ordinary share in Lifestyle Communities.

Eligible Shareholders

Shareholders who are eligible to participle in the Entitlement Offer are Lifestyle Communities shareholders who:

(a) are registered as a holder of Lifestyle Communities shares as at 7.00 pm (Melbourne time) on Wednesday, 28 November 2012 (**Record Date**);
(b) have a registered address in Australia or New Zealand;
(c) are not in the United States or acting for on behalf of US Persons; and
(d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

Offer Booklet

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Entitlement Offer. Details of the Entitlement Offer will be set out in an offer booklet (**Offer Booklet**) to be released on the Australian Securities Exchange (**ASX**) on 30 November 2012, copies of which will be available on the ASX website www.asx.com.au and Lifestyle Communities website at www.lifestylecommunities.com.au.

Eligible Shareholders will be mailed an Offer Booklet, together with a personalised Entitlement and Acceptance Form which contains details of your entitlement, following the Record Date. You should read all of the Offer Booklet carefully before deciding whether to participate in the Entitlement Offer.

Actions required by Eligible Shareholders

If you wish to take up all of part of your entitlement, you will need to complete and return the personalised Entitlement and Acceptance Form accompanying the Offer Booklet, together with your payment for the New Shares you wish to subscribe for, or make payment using Bpay® , in each case in accordance with the instructions on the Entitlement and Acceptance Form.

As the Entitlement Offer is non-renounceable, you will not receive any value for entitlements in respect of any New Shares if you choose not to participate in the Entitlement Offer.

Key dates for Eligible Shareholders*

Release of announcement of Offer, Appendix 3B and Offer Cleansing Statement to ASX (Announcement Date)	Tuesday, 20 November 2012
Ex date for New Shares entitlement	Thursday, 22 November 2012
Record Date for identifying Shareholders with New Share entitlements	Wednesday, 28 November 2012
Dispatch of Offer Document and Entitlement and Application Forms to Eligible Shareholders (Opening Date)	Friday, 30 November 2012
Closing Date	Friday, 14 December 2012
Commencement of trading of New Shares on deferred settlement basis	Monday, 17 December 2012
Shortfall Notification Date	Wednesday, 19 December 2012
Allotment Date	Monday, 24 December 2012
Commencement of trading of New Shares on normal settlement basis	Thursday, 27 December 2012

*The key dates may be changed by the Company in consultation with the underwriter, and, if applicable, ASX.

If you have any questions in relation to any of the above matters and this letter, please contact Lifestyle Communities on (03) 9682 2249.

For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of the Directors, I thank you for your continued support of Lifestyle Communities.

Yours sincerely

David Paranthoiene
Chairman